

CONTINENTAL AIRLINES INC /DE/  
Form 4  
January 08, 2008

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
KELLNER LAWRENCE W

2. Issuer Name and Ticker or Trading Symbol  
CONTINENTAL AIRLINES INC /DE/ [CAL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
1600 SMITH, HQSEO  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
01/04/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chief Executive Officer

HOUSTON, TX 77002  
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Class B Common Stock	01/04/2008		M		200,000	A	<u>(1)</u> 221,399 <sup>(3)</sup>
Class B Common Stock	01/04/2008		D		200,000	D	\$ <u>(2)</u> 25.14 21,399 <sup>(3)</sup>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
Performance Rights	(1)	01/04/2008		M	200,000	(1) (1)	Class B Common Stock 200,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KELLNER LAWRENCE W 1600 SMITH HQSEO HOUSTON, TX 77002	X		Chief Executive Officer	

## Signatures

/s/ Lawrence W. Kellner, By: Sarah E. Hagy 01/08/2008

\*\*Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

The Performance Rights were granted on April 9, 2004 for the performance period beginning April 1, 2004 and ending December 31, 2007. The Performance Rights vested on March 3, 2006, when the registrant's Class B Common Stock price averaged, over 20 consecutive days, at least the \$22.4775 per share target price set by the Human Resources Committee of the Board. The target price reflects an appreciation of 80% above the \$12.4775 market value per share (based on the preceding 20 day average price) at the beginning of the performance period. However, the Performance Rights require continued employment through the end of the performance period so were not eligible to be settled until after the performance period ended and after receipt of the required certification by the registrant's Human Resources Committee, which was received on January 4, 2008. Each Performance Right was the economic equivalent of one share of Class B Common Stock. Two other awards of Performance Rights made in 2004 to Mr. Kellner, and previously reported by him, were voluntarily surrendered by him in connection with the registrant's 2005 pay and benefit cost reduction initiative.

(1) Under the program pursuant to which the Performance Rights were issued, the Performance Rights are settled based on the simple average of the closing stock prices of the registrant's Class B Common Stock for the 20 trading days immediately preceding the last day of the performance period (which ended December 31, 2007). As a result, the \$25.14 settlement price represents the simple average of the closing stock prices during the 20 trading days ending on and including December 28, 2007 (during which the closing stock prices varied from a low of \$21.82 per share to a high of \$28.28 per share).

(3) Total does not include indirect ownership of an additional 200 shares held by a relative of the reporting person, as to which shares the reporting person disclaims beneficial ownership.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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